

## **§ 792.202**

### **§ 792.202 PHA retention of proceeds.**

(a) Where the PHA is the principal party initiating or sustaining an action to recover amounts from tenants that are due as a result of fraud and abuse, the PHA may retain, the greater of:

(1) Fifty percent of the amount it actually collects from a judgment, litigation (including settlement of lawsuit) or an administrative repayment agreement pursuant to, or incorporating the requirements of, §982.555 of this title; or

(2) Reasonable and necessary costs that the PHA incurs related to the collection from a judgment, litigation (including settlement of lawsuit) or an administrative repayment agreement pursuant to, or incorporating the requirements of, §982.555 of this title. Reasonable and necessary costs include the costs of the investigation, legal fees and collection agency fees.

(b) If HUD incurs costs on behalf of the PHA in obtaining the judgment, these costs must be deducted from the amount to be retained by the PHA.

[59 FR 9409, Feb. 28, 1994, as amended at 64 FR 26640, May 14, 1999]

## **24 CFR Ch. VII (4–1–00 Edition)**

### **§ 792.203 Application of amounts recovered.**

(a) The PHA may only use the amount of the recovery it is authorized to retain in support of the section 8 program in which the fraud occurred.

(b) The remaining balance of the recovery proceeds (i.e., the portion of recovery the PHA is not authorized to retain) must be applied as directed by HUD.

### **§ 792.204 Recordkeeping and reporting.**

To permit HUD to audit amounts retained under this part, an PHA must maintain all records required by HUD, including:

(a) Amounts recovered on any judgment or repayment agreement;

(b) The nature of the judgment or repayment agreement; and

(c) The amount of the legal fees and expenses incurred in obtaining the judgment or repayment agreement and recovery.

(Approved by the Office of Management and Budget under Control Number 2577–0053)

## **PARTS 793–798 [RESERVED]**